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MAGAZINE AWARDS



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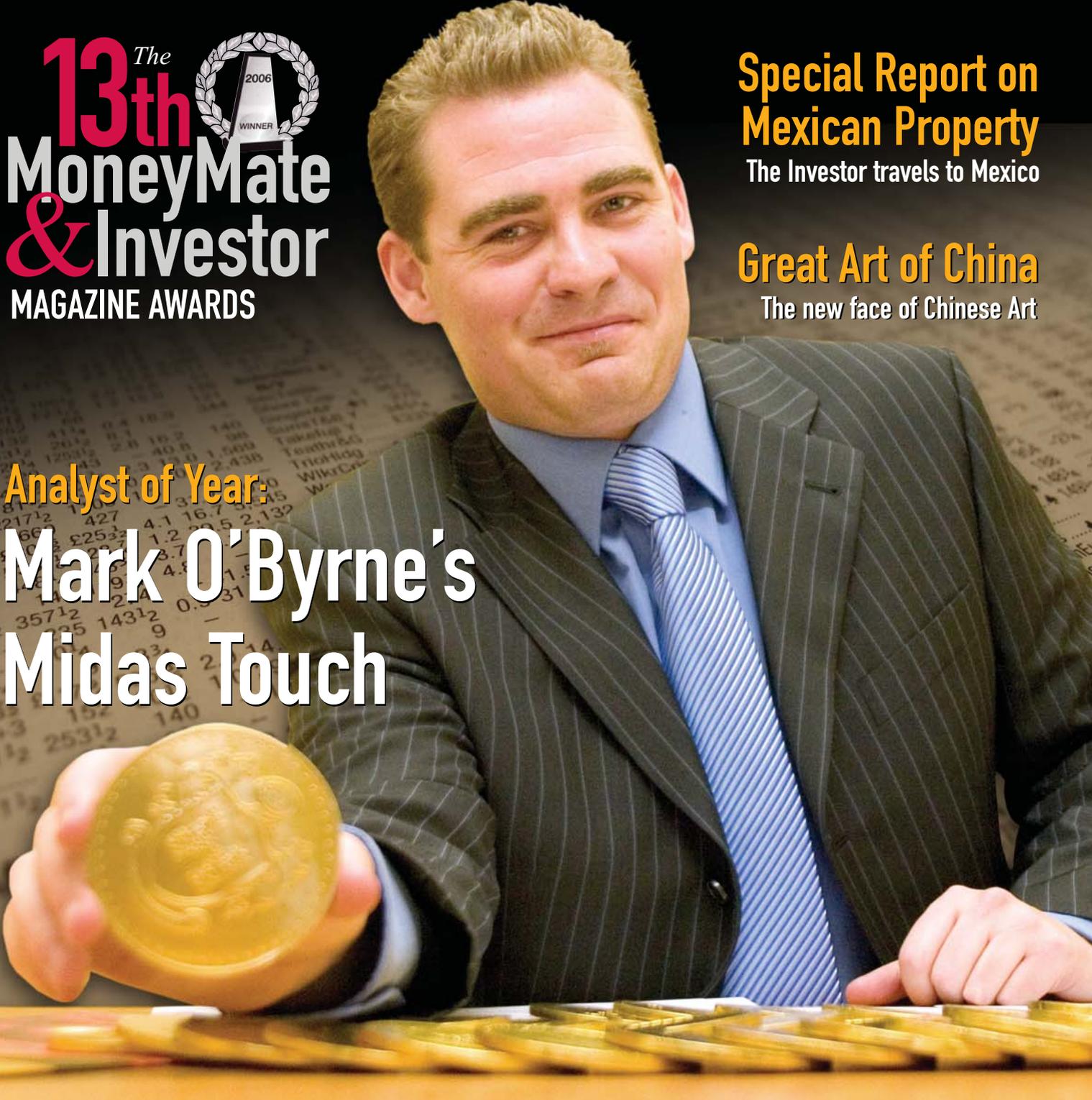
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The IRISH ART MARKET in 2006

THE INVESTOR looks at the top selling artists in the Irish and International Market.

Table 1: Summary of Irish Art Auction Sales 2001 to 2005

YEAR	NO. TRANSACTIONS	VALUE OF SALES	AVERAGE PRICE	TOP PRICE
2001	2,831	€14,936,321	€5,276	€825,500
2002	2,137	€13,940,440	€6,523	€620,000
2003	1,646	€9,762,120	€5,931	€300,000
2004	1,896	€13,557,895	€7,155	€390,000
2005	3,026	€21,632,570	€7,149	€820,000

Table 2: The TOP TEN IRISH ARTISTS of 2005

ARTISTS	TOTAL SALES	IRISH SALES	HIGHEST PRICE	AUCTIONED AT	ROYALTIES ON 1 SALE
Jack B. Yeats	€3,845,483	74%	€820,000	DeVeres	€25,100
Daniel O' Neill	€1,324,982	80%	€185,000	Adams	€6,050
Paul Henry	€957,655	82%	€105,000	Adams	€3,650
Gerard Dillon	€866,113	88%	€132,000	Whytes	€4,460
Colin Middleton	€794,490	92%	€170,000	Adams	€5,600
Frank McKelvey	€628,746	92%	€102,000	Whytes	€3,560
Harry Kernoff	€628,040	96%	€82,000	Whytes	€2,960
Tony O'Malley	€557,745	96%	€72,000	Adams	€2,660
Sean Keating	€334,723	95%	€190,000	Adams	€6,200
W. John Leech	€276,773	77%	€110,000	DeVeres	€3,800

Table 2: The TOP TEN LIVING IRISH ARTISTS of 2005

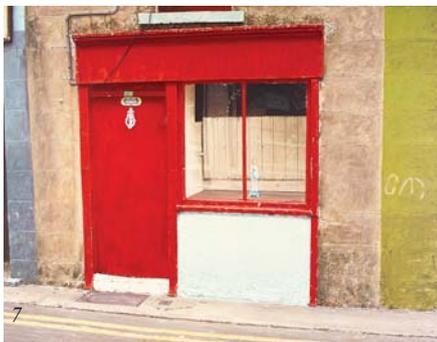
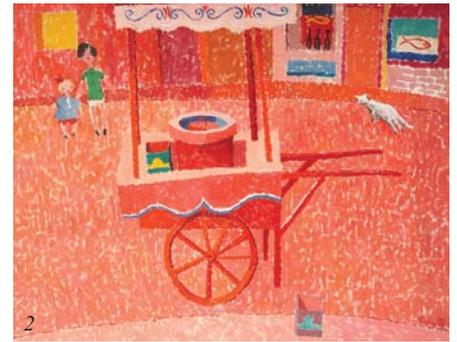
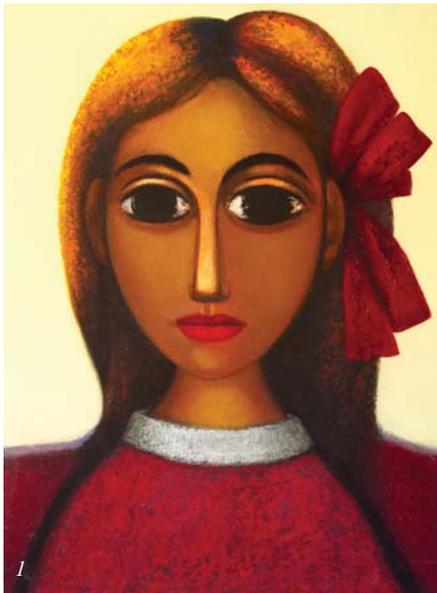
ARTISTS	TOTAL SALES	IRISH SALES	HIGHEST PRICE	AUCTIONED AT	ROYALTIES ON 1 SALE
Louis Le Brocquy	€1,433,384	43%	€380,120	Christies (UK)	€11,904
Kenneth Webb	€217,629	88%	€18,588	Bonhams UK	€1,058
John Shinnors	€202,391	96%	€30,000	Whytes	€1,400
John Kingerlee	€174,862	67%	€60,000	Whytes	€2,300
Mark O'Neill	€168,200	100%	€28,000	Whytes	€1,340
John Doherty	€145,800	100%	€56,000	Adams	€2,180
Camille Souter	€140,500	100%	€57,000	DeVeres	€2,210
Cecil Maguire	€121,951	96%	€15,000	Whytes	€950
William Crozier	€105,366	87%	€47,000	Adams	€1,910
Martin Mooney	€70,717	93%	€17,000	Adams	€1,010

Looking back on 2005, the Irish art market had an exceptionally good year. Sales were up substantially on previous years totals, as well as many record prices for Irish artists at auction, particularly in the contemporary sector.

Based on the auction results of the 'big three' Irish auction houses (Adams, DeVeres and Whytes), the value of sales at auction totalled just over €21.6m, with over 3,000 works hammered down over the year. The average price of works of art brought to auction in 2005 was approximately €7,150, however many auction lots were far from the mean.

Although the breakdown of dealer versus auction sales in Ireland is not known as dealers do not publicise their sales data, the international breakdown has been estimated at around 50:50, which would put an estimate of total art sales in Ireland topping €50m. Most experts in the Irish art trade would agree that dealers account for a larger share than 50 percent, meaning that this estimate is probably at the low end.

Table One summarises some of the key features of the art auction market in Ireland from 2001 to 2005. It appears that the market picked up considerably in 2004, after a relatively poor year in 2003, with the value of sales increasing 39 percent and the average price up 21 percent to €7,155. Although the average price has remained stable over 2005, sales are particularly buoyant with a high volume of sales, up around 60 percent on the previous year while the value of sales also rose 60 percent to nearly €22b.



1. Daniel O'Neill Girl with a Red Bow; 2. Colin Middleton Ice Cream Cart; 3. William Crozier Garden at Night; 4. Colin Middleton Muriel; 5. Charles Brady The Red Door; 6. John Doherty Old Dockyard Building; 7. John Doherty Homage; 8. Daniel O'Neill Kathleen.
All images courtesy of Adams.

So who were the top sellers in the auction market in 2005? We combined the data from the big three auction houses to establish which artist had the highest value of total sales over the year and what were their record prices. We then looked at the total sales for that artist both here and internationally to compile the list of the top ten selling Irish artists and the top ten living artists for 2005.

Based on auction data, the top selling artist overall was Jack Butler Yeats. Yeats's work entitled *A Blackbird Bathing in Tír na nÓg*

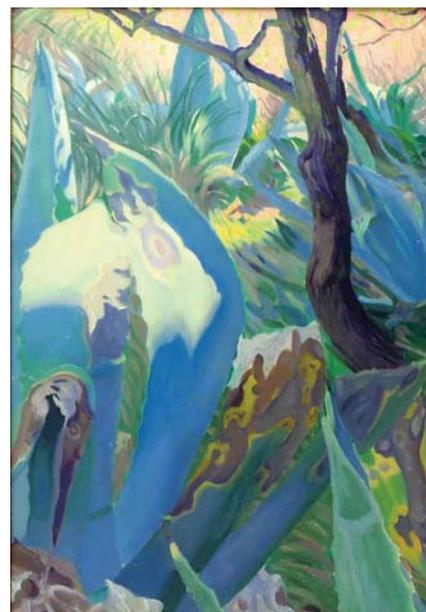
was sold at DeVeres in their November auction for €820,000, some €120,000 over the high estimate, and the highest price ever paid for Yeats at auction in Ireland. Adams also achieved a world record price in May for Daniel O'Neill's *The Red Bow* which was hammered down at €185,000. Another world record was also set at Whytes for artist Gerard Dillon, whose oil on panel entitled *Girl Hiding* sold for €132,000 – nearly double the high estimate.

The number one selling living Irish artist, who also achieved the highest price at auction,

was Louis Le Brocquy. However, his highest priced work for the year was sold in Christies London and Le Brocquy actually sold more in value terms over 2005 internationally (in London) than in the domestic market, whereas most other artists' sales were predominantly domestic. World records were also achieved for living artists including Camille Souter's *House in Callary* hammered down at €57,000 at DeVeres and William Crozier's *Garden at Night* which scored a winning bid of €47,000 at Adam's December sale. The second highest



Jack B. Yeats *A Blackbird Bathing in Tir na nÓg*. Courtesy of DeVeres.



Mary Swanzy, *La Village*. Courtesy of DeVeres.

price overall for living artists in 2005 went to a work by John Kingerlee. Kingerlee's *Grid Composition* sold for €60,000 at Whytes, which was not only twice the high estimate and an auction record for the artist in Ireland, but also well above the recent average 'going' prices for his works. Most of the artist's works to date have generally sold in Ireland in a range between €800 to €7,000, sparking some controversy and questions in the market as to why the work would have sold at that price and



Gerard Dillon *Cottage Interior*. Courtesy of Whyte's.



Seán Keating *Fishermen With Currachs, Inis Oírr*. Courtesy of Whyte's.

why it was estimated at such an unusually high price (€20,000 to €30,000 in the presale catalogue). Whytes state that the estimate was set in this range on the back of successful exhibitions by the artist in the US where works, and particularly the grid series, are selling strongly in galleries such as WJ Morrills in Dallas, Texas. Sotheby's also sold one of this series during the year for just under €45,000, but had been clearly less convinced keeping presale estimates low at just €5,000 to €7,000.

Tables Two and Three also estimate the potential amount of *droit de suite*, or resale royalties that would be payable on the top ten sales in 2005. The tables show the gross amount of the royalty payable on these resales before the collecting society or auction houses deduct any of their costs, however it is clear even from these estimates that the bulk of the levy will be paid to the estates of deceased artists. Despite the fact that the EU Directive was introduced on January 1st of this year, the government has still not passed any formal legislation regarding its implementation. *The Investor* met with Minister O'Donoghue this month, however with regard to the scheduling of the legislation he could only comment that it would be "coming soon – possibly at the end of the summer". Ireland has always historically opposed the Directive and the Minister was in agreement that this was an unfortunate but now moot point. Although he was keeping tight lipped about the government's decisions on the outstanding options regarding the rate of royalties to be applied and threshold levels, one would only hope, for the sake of both Irish

artists and the Irish art trade, that common sense will prevail in government and he will vote for the minimal possible interference in the art market with the highest threshold allowed (€3,000) and the lowest levy for sales under €50,000 (of four percent).

In a move that sent a wave of utter disappointment through the market, the UK opted last month to pass the legislation through at the lower threshold of €1,000. This move was pushed through due to pressure from DACS, the Design and Artists Copyright Society in the UK, the collecting society and ones that stand to substantially gain from charging a whopping 25 percent for collecting the levy on an artist's behalf. Although the collecting method has yet to be decided in Ireland – it is abundantly clear that a profit motive is the primary reason why a certain prominent and already very wealthy Irish artist (who is also on the Board of the potential collecting society IVARO) has so strongly and wrongly defended the Directive. Ireland is truly starting to make its mark on the international art stage and every effort must be made not to hamper the trade and more importantly emerging new best sellers, who this Directive can potentially damage the most. The strength of the Irish market is partly due to a new interest in the market by pure investors – who are cost conscious, savvy and forward thinking – and will just as soon shift from one genre to another as they watch the market, or more damagingly even out of the asset class altogether.

Dr. Clare McAndrew (Editor).